



Valuation of Solar

Minnesota Department of Commerce

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October 1, 2013

Interstate Renewable Energy Council

IREC

- 501(c)(3) non-profit working to promote the sustainable development of renewable energy
 - Introducing regulatory policy innovations that empower consumers
 - Addressing technical constraints to integration of renewables
 - Developing policy guidance and national strategies grounded in best practices and solid research
- Represented by Keyes, Fox & Wiedman, LLP

IREC's Work on DG valuation

- Development of two research reports:
 - *A Generalized Approach to Assessing the Rate Impacts of Net Energy Metering*
 - *Calculating the Costs and Benefits of Distributed Solar Generation*
- Actively involved in valuation efforts in Arizona, California, Colorado, Nevada, and Minnesota

CPR Recommendations for MN

- General Recommendations
 - Crediting based on gross production; not net export
 - Calculate separate VOS for each year – non-location, non-orientation specific
 - Calculate capacity benefits on a yearly basis – vintaging
 - Term of valuation – 25 years on a per kWh-basis

CPR Recommendations for MN

- PV Production
 - Use time-correlated solar resource data with actual, fully-characterized PV fleet specifications
- Losses
 - Calculate distribution only, combined T&D, generation capacity loss savings, distribution capacity loss savings
- Generation capacity
 - Capacity value begins at year zero
- Fuel Price Hedge value – included

Additional IREC Recommendation

- Include Input for Locational Benefits
 - Statute Recognizes Locational Benefits as a possible additional benefit
 - Substantial Potential: LIPA - 7¢/kWh

Thank You!

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